

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15577
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On April 18, 2001, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing additional individual income tax, penalty, and interest in the amount of \$9,478 for the year ending December 31, 1998.

The taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not request a conference or submit additional information. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision based thereon.

Idaho Code § 63-3002 provides:

Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; . . .

The intent of the Idaho Legislature is to follow the federal determination of income subject only to modifications contained in Idaho law. Pursuant to the authority of the Internal Revenue Code § 6103(d) and Idaho Code § 63-3077, [Redacted]. Because Tax Commission records showed that income had not been reported to Idaho, a Notice of Deficiency was issued.

In his letter of protest, the taxpayer said he had no record of any debt forgiveness. He said he could not understand why the debt would be forgiven in 1998 when his Chapter 7 Bankruptcy was

not filed until December 1999. No other information was provided and no documents were included with that letter.

The Bureau wrote a letter back to the taxpayer to let him know the source of the forgiveness of debt. The taxpayer did not answer the letter, and attempts to contact him by telephone were unsuccessful. The taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review.

The taxpayer did not respond to a letter from the Legal/Tax Policy Division that outlined his appeal rights. In fact, the taxpayer submitted nothing to persuade the Tax Commission the federal information regarding debt forgiveness was in error.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated April 18, 2001, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest for 1998:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$7,786	\$389	\$1,680	\$9,855

Interest has been computed through January 31, 2002.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this ____ day of _____, 2002, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]